

Optional Changes to DOT Structure and to Highway Trust Fund

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Amna Cameron
Fiscal Research Division



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Agenda

- Division Structure and Property Holdings
- Allocation of Construction Funds
- Projects Listed in Statute
 - Status of Intrastate System
- Equity Formula
- Summary

Division Structure and Property Holdings

- What purpose does the division structure serve?
 - Employee distributions
 - Funding distributions
 - Infrastructure to maintain & operate the system
- Issues
 - Breaks up metropolitan areas
 - Equity formula
 - Real property and equipment holdings may not fit with population shifts
- Should the division structure change? Examples?

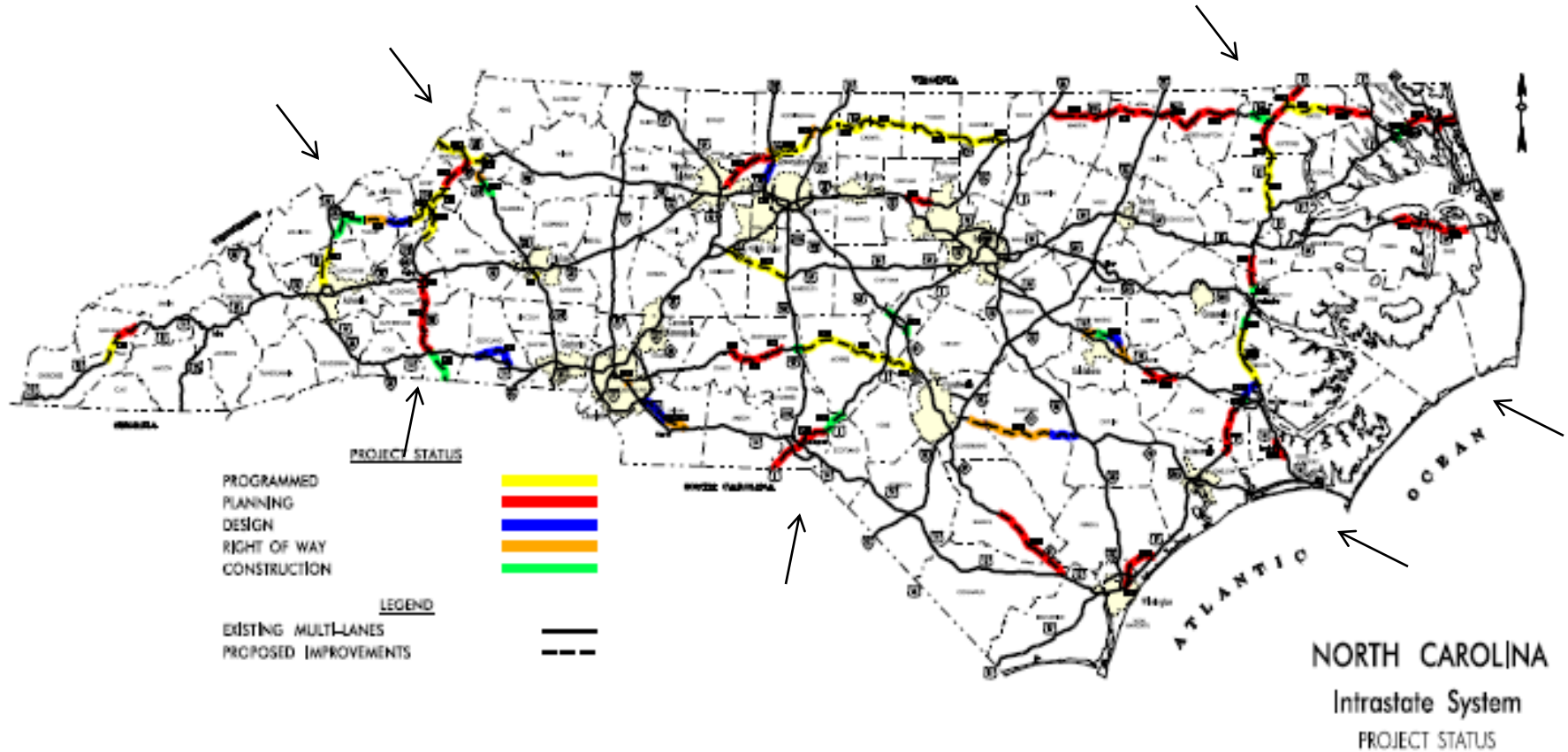
Allocation of Construction Funds

- Intrastate System
 - 77% complete / 61.9% of FY 2011 construction funds
- Secondary Roads
 - 89% of *eligible* road miles complete / 6.5% of construction funds
- Urban Loops
 - 42% complete / 25.0% of FY 2011 construction funds
- Aid to Municipalities
 - 6.5% of FY2011 construction funds
- Should allocations change? How?

Projects Listed in Statutes

- Intrastate System statute includes 30 routes
 - If removed, 12 projects *may* drop from priority list.
Additional projects may be determined to be difficult/very difficult to complete.
 - If removed, what happens to the equity formula?
- Urban Loops statute includes ten projects (27 segments)
 - If removed, 7 segments *may* drop from priority list.
Additional segments may determined to be difficult/very difficult to complete.
- Gap funding for four turnpike projects

Status of Intrastate System



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Equity Formula

What would happen if 90% rule advanced? In general:

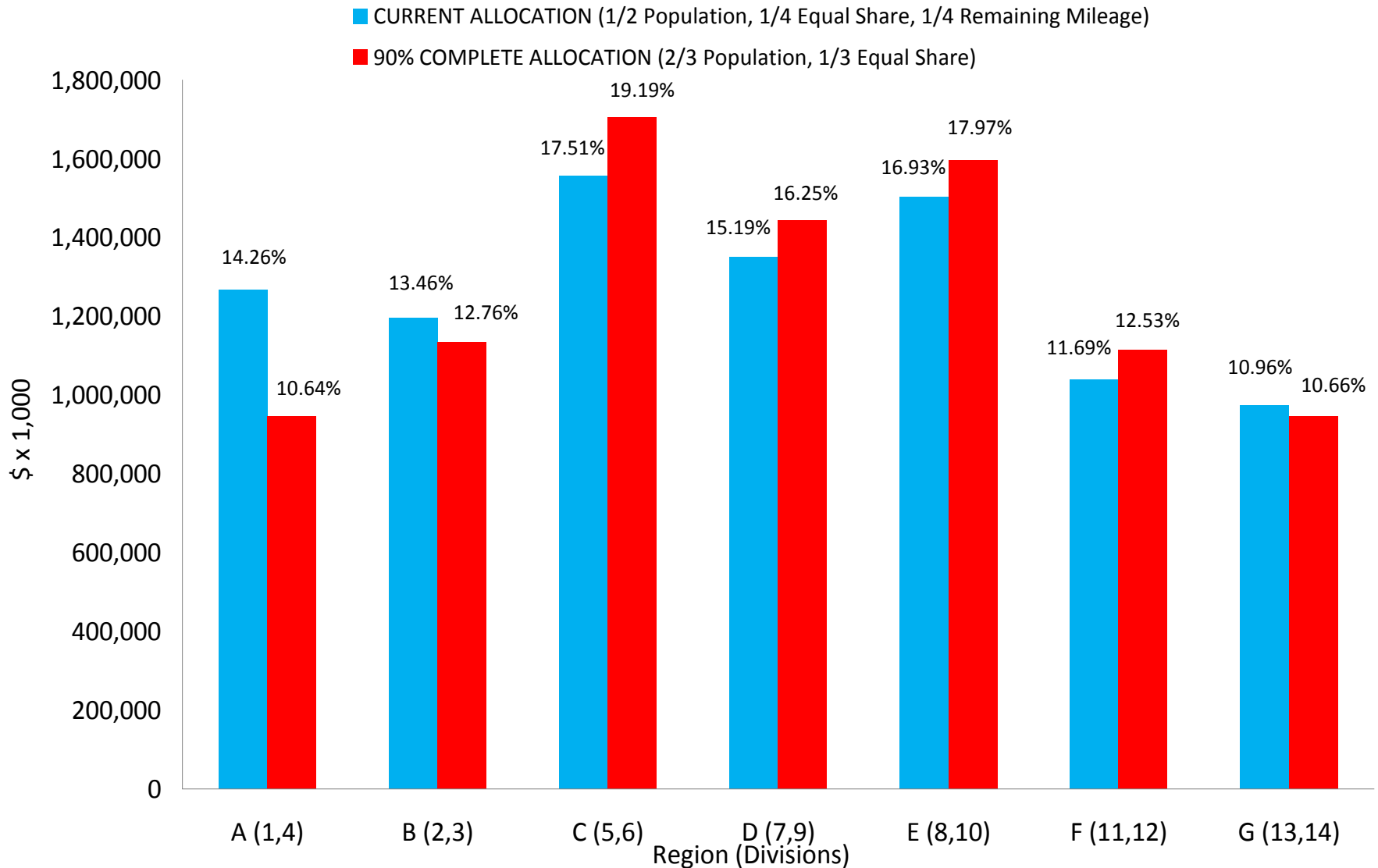
- Divisions with higher percentages of remaining intrastate system miles would likely lose funds.
 - Why? Formula eliminates 25% remaining intrastate miles component.
- Metropolitan areas gain, rural areas lose funds.
 - Why? Formula shifts greater emphasis to population.

What would happen if 7 DOT regions shifted to 7 economic development regions?

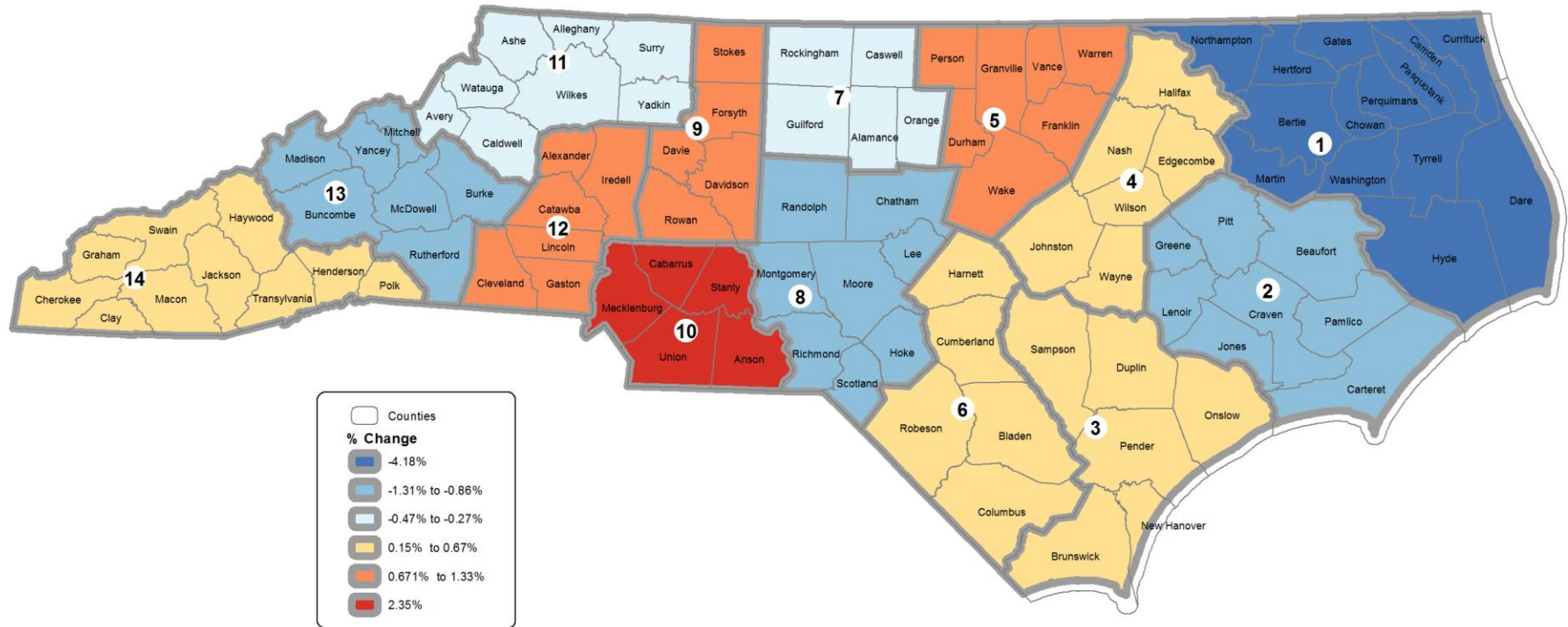
- Three metropolitan cores gain funds.

2009 - 2015 STIP

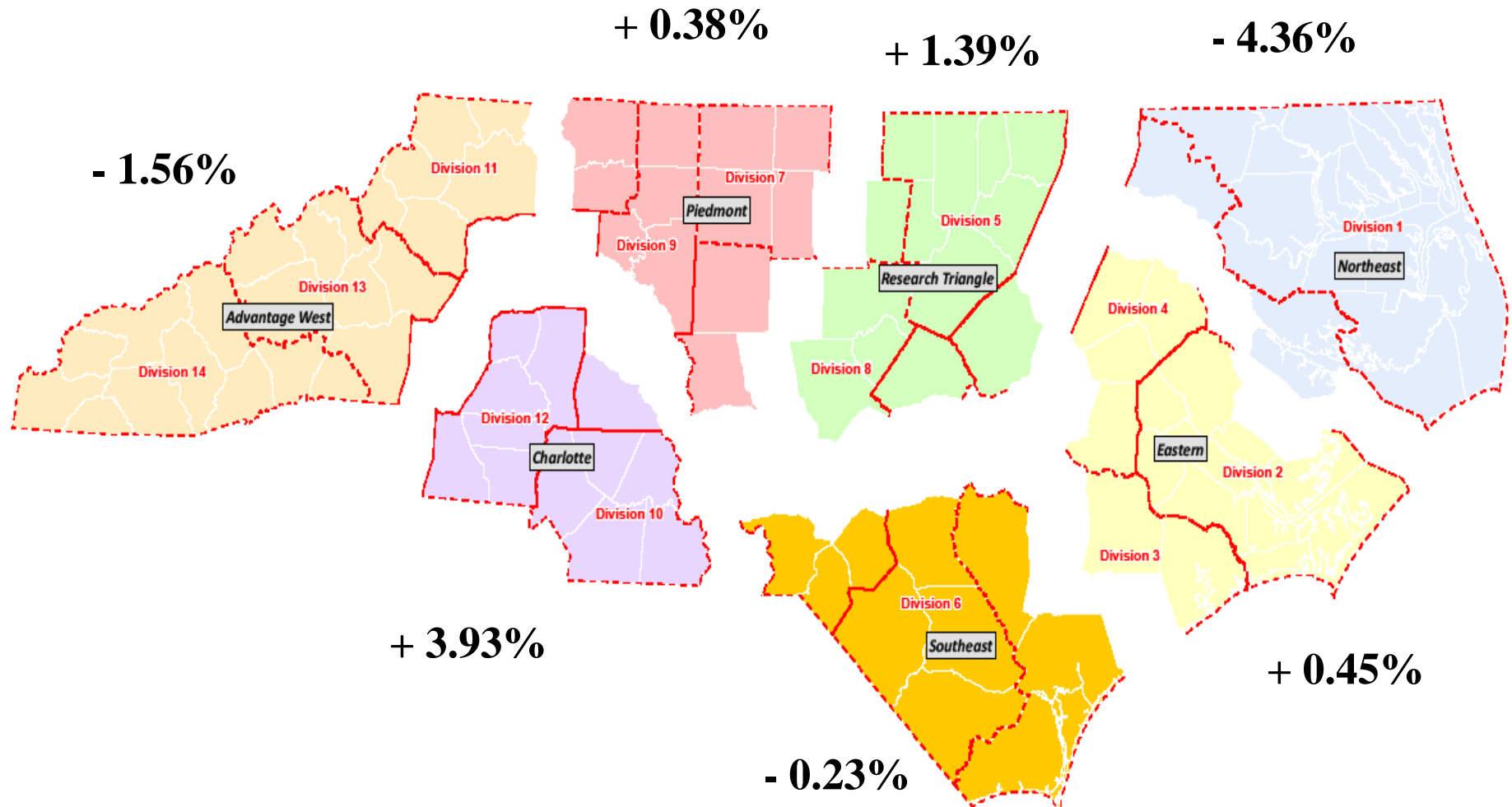
Equity Formula Comparison by Funding Region



Equity Formula: 90% Rule Impact



Shift to Seven Economic Development Regions



Summary

- The Highway Trust Fund was established in 1989 and, with federal aid, is the state's construction fund.
- The Highway Trust Fund rarely studied since inception, with no comprehensive studies completed.
- Revenues will grow slowly under the current transportation tax structure while construction costs will rise.
- Expected population growth will put additional demands on new construction.
- Should Highway Trust Fund structure and formulas change?